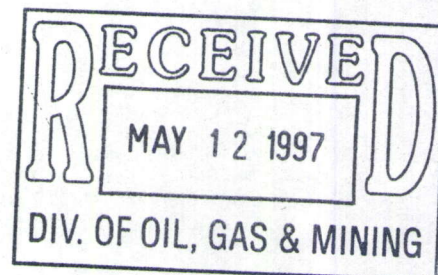


File Number M/037/043

Effective Date June 5, 1997

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940



**RECLAMATION CONTRACT**  
---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)  
(Mineral Mined)

M/037/043

Uranium - Vanadium

"MINE LOCATION":

(Name of Mine)  
(Description)

Hecla Shaft

Underground mine located three miles  
west of the Lasal, Utah post office.

"DISTURBED AREA":

(Disturbed Acres)  
(Legal Description)

29.3 Acres

(refer to Attachment "A")

"OPERATOR":

(Company or Name)  
(Address)

International Uranium (USA) Corporation  
c/o Energy Fuels Nuclear, Inc.

Three Park Central, Suite 900  
1515 Arapahoe Street, Denver, CO 80202  
303-623-8317

(Phone)



**"OPERATOR'S REGISTERED AGENT":**

(Name)

(Address)

CT Corporation

50 West Broadway

Salt Lake City, UT 84101

(Phone)

801-364-5105

**"OPERATOR'S OFFICER(S)":**

Earl E. Hoellen, President

Harold R. Roberts, Exec. Vice Pres.

Rick L. Townley, Vice Pres. - Finance

**"SURETY":**

(Form of Surety - Attachment B)

Surety Bond

**"SURETY COMPANY":**

(Name, Policy or Acct. No.)

National Union Fire Insurance  
Company of Pittsburgh, PA

#16-67-26

**"SURETY AMOUNT":**

(Escalated Dollars)

\$177,500.00

**"ESCALATION YEAR":**

2002

**"STATE":**

**"DIVISION":**

**"BOARD":**

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

**ATTACHMENTS:**

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between International Uranium (USA) the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board"). Corporation

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/037/043 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.



NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated 12/13/78, and the original Reclamation Plan dated 12/13/78. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as



amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

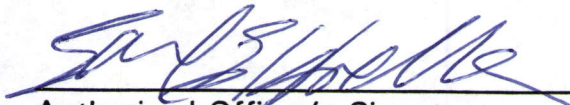


14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

INTERNATIONAL URANIUM (USA) CORPORATION

\_\_\_\_\_  
Operator Name

By: Earl E. Hoellen, President  
Authorized Officer (Typed or Printed)

  
\_\_\_\_\_  
Authorized Officer's Signature


May 13, 1997

\_\_\_\_\_  
Date

=====

SO AGREED this 10 day of June, 1997

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY   
\_\_\_\_\_  
Dave D. Lauriski, Chairman  
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By

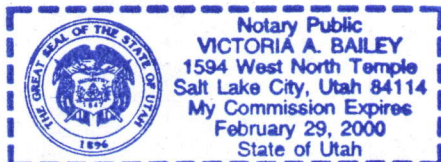
James W. Carter, Director

Date

June 5, 1997

STATE OF UTAH )  
 ) ss:  
COUNTY OF SALT LAKE )

On the 5<sup>th</sup> day of JUNE, 19 97, personally  
appeared before me, who being duly sworn did say that he/she, the said  
JAMES W. CARTER is the Director of the Division of  
Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she  
duly acknowledged to me that he/she executed the foregoing document by  
authority of law on behalf of the State of Utah.



Victoria A. Bailey  
Notary Public  
Residing at: SALT LAKE CITY, UTAH

February 29, 2000  
My Commission Expires:



OPERATOR:

INTERNATIONAL URANIUM (USA) CORPORATION

Operator Name

By Earl E. Hoellen, President

Corporate Officer - Position

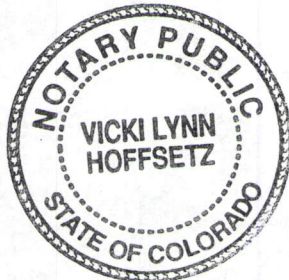
May 13, 1997

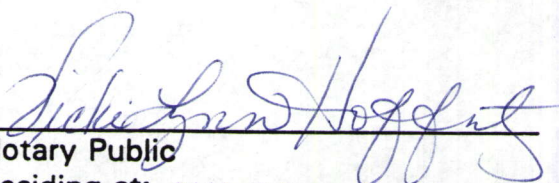
Date

  
Signature

STATE OF COLORADO )  
COUNTY OF DENVER ) ss:

On the 13 day of May, 1997, personally  
appeared before me Earl E. Hoellen who  
being by me duly sworn did say that he/she, the said Earl E. Hoellen  
is the President of INTERNATIONAL URANIUM (USA) CORPORATION  
and duly acknowledged that said instrument was signed on behalf of said company  
by authority of its bylaws or a resolution of its board of directors and said  
Earl E. Hoellen duly acknowledged to me that said  
company executed the same.



  
Notary Public  
Residing at: 8449 Nelson Dr, Arvada CO 80005

August 12, 1998

My Commission Expires:

## ATTACHMENT "A"

<u>International Uranium (USA) Corporation</u>	<u>Hecla Shaft</u>
<b>Operator</b>	<b>Mine Name</b>
<u>M/037/043</u>	<u>San Juan</u> County, Utah
<b>Permit Number</b>	

### The legal description of lands to be disturbed is:

#### Lands to be Disturbed:

T29S, R24E SLBM-  
Sec 3 - All  
Sec 5 -  $W\frac{1}{2}$ ,  $W\frac{1}{2}$ ,  $NW\frac{1}{4}$   
Sec 6 - All

T28S, R24E SLBM-  
Sec 32 -All

#### Lands Currently Disturbed:

T29S, R24E SLBM-  
Sec 5 -  $W\frac{1}{2}$ ,  $W\frac{1}{2}$ ,  $NW\frac{1}{4}$   
Sec 6 -  $N\frac{1}{2}$ ,  $N\frac{1}{2}$



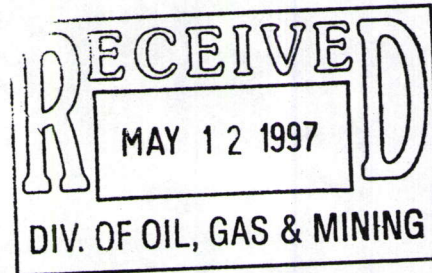
ATTACHMENT B

MCR FORM 6  
Joint Agency Bonding Form

(June 10, 1996)

Bond Number \_\_\_\_\_  
Permit Number M/037/043  
Mine Name Hecla Shaft

STATE OF UTAH -  
DEPARTMENT OF NATURAL RESOURCES  
Division of Oil, Gas and Mining  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940



THE MINED LAND RECLAMATION ACT

SURETY BOND

\*\*\*\*\*

The undersigned International Uranium (USA) Corporation as Principal,  
and National Union Fire Insurance Company as Surety, hereby jointly and severally  
bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah,  
Division of Oil, Gas and Mining, ~~and the~~ xxxx n/a  
in the penal sum of One Hundred Seventy-Seven Thousand Five Hundred dollars  
(\$ 177,500.00 ).

Principal has estimated in the Mining and Reclamation Plan approved by the Division of  
Oil, Gas and Mining on the 2nd day of May, 19 79, that 29.3 acres of land  
will be disturbed by this mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to  
the Reclamation Contract of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has  
satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation  
Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and  
complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall  
be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the  
disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations,  
then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by the Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

International Uranium (USA) Corporation  
Principal (Permittee)

May 1, 1997  
Date

Earl E. Hoellen  
By (Name typed):

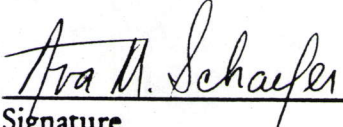
President  
Title

  
Signature

**Surety Company**  
National Union Fire Insurance  
Company of Pittsburgh, Pa.  
Company Officer

May 1, 1997  
Date

Ava M. Schaefer, Attorney-In-Fact  
Title/Position

  
Signature



SO AGREED this 60 day of June, 19 97.



\_\_\_\_\_  
Dave D. Lauriski, Chairman  
Board of Oil, Gas and Mining

\*NOTE: Where one signs by virtue of Power of Attorney for a Surety Company, such Power of Attorney must be filed with this bond. If the Principal is a corporation, the bond shall be executed by its duly authorized officer.

### AFFIDAVIT OF QUALIFICATION

On the 1st day of May, 1997, personally appeared before me Ava M. Schaefer who being by me duly sworn did say that he/she, the said Ava M. Schaefer is the Attorney-In-Fact of National Union Fire Insurance Company of Pittsburgh, Pa. and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Ava M. Schaefer duly acknowledged to me that said company executed the same, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: Ava M. Schaefer  
Surety Officer

Title: Attorney-In-Fact

STATE OF Kentucky )  
COUNTY OF Fayette ) ss:

Subscribed and sworn to before me this 1st day of May, 1997.

Debbie Ray  
Notary Public

Residing at: Lexington, Kentucky

My Commission Expires:

August 24, 1999.



American Home Assurance Company  
National Union Fire Insurance Company of Pittsburgh, Pa.  
Principal Bond Office: 70 Pine Street, New York, N.Y. 10270

POWER OF ATTORNEY

No.

KNOW ALL MEN BY THESE PRESENTS:

That American Home Assurance Company, a New York corporation, and National Union Fire Insurance Company of Pittsburgh, Pa., a Pennsylvania corporation, does each hereby appoint

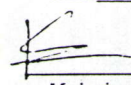
—James H. Godfrey Jr., Phillip S. McCrorie, Ava M. Schaefer: of Lexington, Kentucky—

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. have each executed these presents

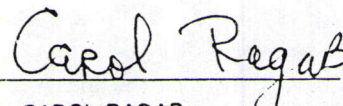
this 20th day of May, 1996.



  
Kristian P. Moor, President  
National Union Fire Insurance Company of Pittsburgh, PA.  
Executive Vice President  
American Home Assurance Company

STATE OF NEW YORK }  
COUNTY OF NEW YORK }ss.

On this 20th day of May, 1996, before me came the above-named officer of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa., to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporations thereto by authority of his office.

  
CAROL RAGAB  
Notary Public, State of New York  
No 01RA5052011  
Qualified in Kings County 1997  
Commission Expires Nov. 13, 1997

CERTIFICATE

Excerpts of Resolutions adopted by the Boards of Directors of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

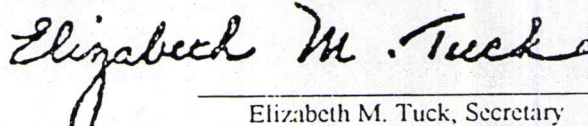
"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of American Home Assurance Company and of National Union Fire Insurance Company of Pittsburgh, Pa. do hereby certify that the foregoing excerpts of Resolutions adopted by the Boards of Directors of these corporations, and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolutions and the Powers of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of each corporation



this 1st day of May, 1997

  
Elizabeth M. Tuck, Secretary